

17 December 1976

OFFICE OF PERSONNEL MEMORANDUM NO. 20-31-40

SUBJECT : Pay Administration for Prevailing Rate Employees

REFERENCES: (a) Federal Personnel Manual Supplement 532-1
(b) FPM 335-23, Subchapter 4-4
(c) GPO Instruction 640.6

RESCISSION: OPM 20-31-34, dtd 10 Sep 74
OPM 20-31-21 (Supplement 1) dtd 6 Mar 70

1. GENERAL

a. The Federal Wage System (FWS) is administered by the Civil Service Commission and is applied in CIA on the basis of administrative agreements. The Government Printing and Graphic Arts Systems are based on procedure and pay practices of the Government Printing Office and the Department of the Treasury, Bureau of Engraving and Printing, as adapted administratively by CIA. Uniform rules based on the Federal Personnel Manual (FPM) and Government Printing Office (GPO) administrative instructions have been established in the Agency for all prevailing rate categories: Federal Wage System, Interdepartmental Lithographic Wage Board (a special schedule in FWS), Government Printing System, and Graphic Arts System.

b. Employees whose positions are classified under the provisions of the FWS are paid in accordance with the local area regular and special wage schedules published by the Department of Defense Wage Fixing Authority. FWS schedules include grade and step structures which are complemented by standards used for allocation of position grades and titles.

c. Government Printing and Graphic Arts Systems do not have the structure found in FWS wage schedules. Grade and step identifications have been developed for administrative convenience. The Position Management and Compensation Division/Office of Personnel establishes Government Printing (GP) and Graphic Arts (GA) pay schedules in accordance with lead agency pay practices, as they are applicable.

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2. DEFINITIONS

a. Basic Journeyman, Journeyman, or Member of a Craft: A fully qualified worker in an apprenticeable trade recognized as such by the appropriate craft.

b. Printing Plant Workers: Employees engaged in performing unskilled and semi-skilled manual tasks in hand and power equipment operation and other nonjourneyman tasks in the graphic arts.

c. Apprentices - Trainees: Employees in a program for progressive development of craft skills leading to recognition as a journeyman craftsman. Some programs are developed for processes or equipment that have positions for which the maximum pay rate is a fixed percentage of journeyman rate -- e.g., 80%, 85%, or 90% of journeyman rate. Apprentices assigned to this work cannot exceed these rates until assigned to training in processes and equipment calling for higher skill.

d. Saved Rate: A rate paid without specific time limitation to employees whose positions are reclassified to a lower level in a different wage system, when position downgrading results from a revised evaluation standard, or when a revised wage schedule structure places the employee's position at a lower wage level.

e. Retained Rate: A rate paid for up to two years for employees who are changed to a lower grade, except when such change is by request of the employee, for personal cause, or required by personnel reduction, in which cases pay retention is not authorized. The employee must have had two years of continuous service in any grade or grades higher than the grade to which reduced.

f. Maximum Rate: Applies only to GP and GA schedules. Salary is equal to that of an established rate below the journeyman level, and there is no time limitation.

g. Representative Rate: (1) the fourth rate in the range for a grade under the General Schedule, (2) the prevailing (second) rate for a position under the Federal Wage System, and (3) for GP and GA the rate the employee is currently being paid.

h. Equivalent Rate: The nearest rate of the applicable wage schedule grade that is equivalent to the grade and rate from which the employee is converted. This is determined by selecting the lowest grade of the applicable wage schedule in which the representative rate is equal to or exceeds the representative rate in the grade and schedule from which the employee converted.

i. Promotion: For GP and GA systems (except Apprentice levels) any action which provides for a higher rate of pay. In the FWS system, a change to higher grade and adjustment of pay equal to or greater than a one step increment in the grade from which promoted.

j. Step Increase: In GP and GA only Apprentice rates are treated as periodic step increases as represented by the five rates for various GP trades identified by title as Apprentice levels; and the five rates in the GA system for GAB-03 and GAE-01.

3. GENERAL ADMINISTRATIVE PROCEDURES -- FWS

Pay administration for FWS (WG, WL, WS and WP) employees is applied in accordance with the provisions of FPM Supplement 532-1.

4. GENERAL ADMINISTRATIVE PROCEDURES -- GP and GA

a. For some purposes (e.g., promotion, a salary retention, temporary promotions to supervisory rates) each level in the GA system may be considered as a separate schedule, except GAB-03 and GAE-01 (see 2j). In this context employees are promoted from level 1 to proficiency levels 2 through 5, or may be permanently or temporarily promoted to Chief or Deputy Chief rates associated with the same schedule and grade number. Those actions are not periodic step increases. In addition, GA employees may be promoted to higher paying GA levels, such as a GAA-01 to GAA-03 from which the employee may advance by additional promotion actions through the several "steps" of the higher "grade."

b. The GP system is constructed as a series of single rate values for each "grade," in ascending order of pay, except those noted as Apprentice levels (see 2j). Progression by promotion in the GP system is synonymous with change to higher pay and/or higher grade.

c. For assignment purposes, only the first two letters of the GP and GA schedule designations apply for control of apparent mismatches between employee schedule and position schedule. For example, a GPA employee may be properly assigned to a GPB position, or, a GAA employee may be assigned to a GAB position. Assignment controls are administered in the appropriate components in coordination with PMCD, based on skill requirements peculiar to these systems.

d. Except as provided in paragraph 5, appointments or reassignments to GP and GA positions are made at the grade, apprenticeship step, journeyman, or specialist rating commensurate with the experience and training of the individual as evaluated by the Office of Personnel appointing officer for application to the position title. Prior pay rates received in non-printing or unrelated trades including Federal employment are not considered.

e. Printing Plant Workers will be appointed at the first step of the grade (where there are several steps) that reflects their experience in semi-skilled manual tasks associated with nonjourneyman work.

f. Apprenticeship programs are generally of four years duration, though Reproduction Technician occupations in the Graphic Arts system can require up to eight years. Advancement through apprentice pay levels is based on satisfactory completion of specified training and experience criteria for each level, as certified by the operating office, and is a step increase action. Apprentices meeting progression criteria will be advanced to the next step of their pay schedule at the beginning of the pay period following:

- (1) completion of 26 calendar weeks in steps 1 and 2, or
- (2) 52 calendar weeks in steps 3, 4 and 5.

g. Progression from the most senior apprenticeship level to a journeyman level of pay requires certification by the operating office that the full apprenticeship program has been successfully completed, and is recognized by a "promotion" action to which the certification is attached.

h. Graphic Arts schedules provide in addition to apprenticeships the following recognition of advanced skills and experience:

(1) Proficiency rates are provided for increased specialized skill, experience, and aptitude which normally require a minimum of one year of experience above the journeyman or higher skill level. Promotion certifications attached to the Personnel Action are required for these ratings, and the skills must be maintained to hold proficiency rates.

(2) Specialist and combination journeyman ratings involve journeyman craftsman skill and a minimum of at least two years of specialized or second skill training. Promotion requires an operating official's certification, attached to the Personnel Action, that such skill has been demonstrated. Upon promotion to specialist or combination skill, employees receive the nearest rate for the specialist title that exceeds their current rate.

5. APPLICATION OF DESIGNATIONS FOR NONSTANDARD RATES

a. Saved Rate - Step "S"

(1) The existing rate of pay is granted as a saved rate and the employee is placed in Step "S" when:

(a) The wage board position to which the employee was assigned is reclassified under another wage or salary system and the previous rate of pay exceeds the maximum rate for the new position.

(b) The employee's position is downgraded as a result of application of a new or revised evaluation standard or a revised wage schedule structure, and no scheduled rate for the position after this action equals the employee's previous rate.

(2) A wage grade employee receiving a saved rate in Step "S" is entitled to wage schedule adjustments equal to one half the amount of each later prevailing rate increase, applicable to the scheduled rate for the grade and step to which downgraded, until the saved rate of pay is terminated.

(3) An employee is granted a Saved Rate Step "S" by a "Change to Lower Grade - Step Rate Change." A saved rate is terminated when the employee is granted an increase in the scheduled rate of pay which is equal to or higher than the saved rate by reason of the normal operation of the wage system (periodic pay adjustment, step increase, promotion, etc.).

b. Retained Rate - Step "R"

(1) An employee changed to a lower grade for any reason other than the individual's own request, for personal cause, or as a result of personnel reduction, where no scheduled rate of the lower grade equals or exceeds the employee's current rate (for WG, WL, WS and WP) or where the current rate is between two established rates (for GP and GA) will be assigned a retained rate of pay for a period not to exceed two years and be placed in Step "R" of the new grade.

(a) Reduction in Grade Within the Same Wage Schedule

When an employee is reduced from one wage grade to a lower wage grade within the same wage schedule the employee's retained rate of pay will be the lesser of:

[1] The employee's existing scheduled rate immediately prior to the reduction to a lower wage grade, or

[2] The sum of the minimum scheduled rate in the lower wage grade plus the difference between the employee's existing scheduled rate before the reduction and the minimum scheduled rate at a level three wage grades below the wage grade from which the employee was reduced.

Example b(1)(a)[2]: Employee in WG-8 Step 3 is reduced to WG-4

WG-8 Step 3	5.82 p.h.
WG-5 Step 1	<u>4.88</u> p.h.
Difference	.94
WG-4 Step 1	<u>4.57</u> p.h.
Retained Rate	5.51 p.h.

(b) Reduction in Grade Resulting from Changes Between Types of Wage Schedules or from the General Schedule to a Wage Schedule

When an employee is reduced in grade in conjunction with change between different types of wage schedule (e.g., GS to WG), the employee's retained rate of pay is either:

[1][a] the nearest rate in the new wage schedule that is equivalent to or higher than the employee's existing scheduled grade and rate, or

[b] the existing rate of pay in the employee's former wage schedule if that is higher than the maximum rate in the scheduled grade of the new wage schedule.

When the change from one wage schedule to another wage schedule results in a reduction equivalent to three or more grades in the new wage schedule, the employee's retained rate of pay will be the lesser of:

[2][a] the individual's existing rate of pay in the former wage schedule, or

[b] the sum of the minimum rate of the new wage schedule grade plus, the difference between closest equivalent rate of pay in the new wage schedule to the existing rate in the old schedule, and the minimum rate in the new wage schedule grade which is three grades lower than the equivalent rate of pay from which the employee is being reduced.

Example b(1)(b) [2][b]: Employee GS-08 Step 1 is reduced to WG-05

GS-08, Step 1	\$5.88 p.h.
Representative Rate for GS-08 is Step 4	6.46 p.h.
Representative WG rate that is at least equal	6.71 p.h. (WG-10/2)
WG-10 rate closest to current rate	6.44 p.h. (WG-10/1)
WG-7 Step 1 (minimum rate of WG grade which is three grades lower than the nearest equivalent WG grade)	<u>5.50</u> p.h.
Difference:	.94
WG-5 Step 1	<u>4.88</u> p.h.
Retained Rate	\$5.82 p.h.

(2) An employee whose pay is retained under paragraph 5b(1)(a) above shall receive any increase granted in the scheduled rate and grade from which he or she was demoted. An employee whose pay is retained under paragraph 5b(1)(b) above shall receive any increase granted in the scheduled rate and grade that was determined to be the individual's "equivalent grade and nearest rate." In either case the increase is based on the wage schedule to which the employee's position is subject and is granted at the time of the increase in that wage schedule.

(3) An employee is given a Retained Rate Step "R" by a Change to Lower Grade action carrying an NTE date of two years. A retained rate is terminated by expiration of the two year NTE date or when an increase is granted in the employee's scheduled rate of pay which is higher than the retained rate by reason of the normal operation of the Wage system (e.g., step increase or promotion).

c. Maximum Rate - Step "M"

(1) Based on regular assignments to operate equipment and perform duties for which journeyman credit cannot be authorized, GP or GA positions can carry a maximum rate of compensation, less than that of a journeyman. Employees assigned to such positions will be placed in Step "M" of their grades.

(2) A GP or GA employee receiving a maximum rate is not entitled to within grade increases. Employees in this category are entitled to general increases applicable to the appropriate schedule and skill level. The amount of the increase is added to the individual's maximum rate and the total becomes a new maximum rate.

(3) A GP or GA employee is given a Maximum Rate Step "M" by a "Pay Adjustment" action which may be combined with a "Reassignment" action. A maximum rate may be terminated by reassignment when performance is no longer at the maximum rate in which case a "Pay Adjustment" is processed to reduce the rate. A maximum rate may also be terminated by promotion.

d. Pay Rate when Saved Pay is Not Applicable

When pay saving is not applicable because of the provisions of paragraph 5a or 5b, an employee's rate may be fixed at any step rate of the grade to which changed and for which the employee is fully qualified, provided such rate is not in excess of the individual's last earned rate. The selection of the step rate shall be at the discretion of the operating official concerned and with the approval of the Director of Personnel.

6. TEMPORARY PROMOTIONS

a. Temporary promotions are used in the GA system and can be used in the other prevailing rate systems to meet a situation requiring the temporary services of a prevailing rate employee in a higher rated position. The higher rated positions usually involve supervisory tours of limited duration. The employee may be required to return to a lower rated position with an appropriate pay rate for the skill requirements of the lower rated position.

Example:

Supervisory rates for Deputy Chief (rates A-E) and Chief (rates F-J) are paid while a GA employee serves in a supervisory capacity, and are granted by "Temporary Promotion" action. When a GA employee is no longer serving in a supervisory capacity the rate of pay is adjusted to the appropriate nonsupervisory level (rates 1-5) in the employee's grade by "Change to Lower Grade." The Remarks section should reflect the comment, "termination of temporary promotion."

b. An employee selected for a temporary promotion must be informed, in advance of the promotion, of the circumstances that make it a temporary promotion. The employee must be advised that return to a position at the then current rate for the appropriate skill may be required, if upon completion of the assignment in the higher rated position there is no position available at the higher rating. There must be written documentation signed by the employee which acknowledges understanding of the conditions of the temporary promotion and accepts the reduction to nonsupervisory rank upon completion of the temporary assignment. This

will not bar recognition of newly acquired skills or assignment to other positions which may be available at rates equal to or below the temporary rate. This agreement must accompany the Personnel Action and be reviewed by OP/SAS.

c. The employee may be temporarily promoted for the expected duration of the need for services in the higher rated position, not to exceed two years. An employee may request, or management may extend the requirement for additional periods of a year or less, on approval by the Director of Personnel. On completion of an assignment, the employee will be returned to a position of the previous rating at the then current pay rate, or another higher rated position if available. Downgrade actions resulting from termination of temporary promotions do not qualify for salary retention.

d. Temporary promotions end upon expiration of the approved period, of an extension thereof, or reassignment of the employee to a position of lower rating. A Personnel Action must be submitted in either of these instances and reflect the proposed effective date. Approval by the Director of Personnel is required when an employee is reassigned to a position of lower rating.



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